

C O M M I T T E E O N L E G I S L A T I V E R E S E A R C H  
O V E R S I G H T D I V I S I O N

FISCAL NOTE

L.R. NO.: 0833-01

BILL NO.: SB 270

SUBJECT: LICENSES-MOTOR VEHICLES, HIGHWAY PATROL; REVENUE  
DEPT.

TYPE: ORIGINAL

DATE: FEBRUARY 3, 2003

---

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
TOTAL ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
HIGHWAY	\$19,525,651 TO \$19,475,651	\$19,720,856	\$19,917,461
TOTAL ESTIMATED NET EFFECT ON <u>OTHER</u> STATE FUNDS	\$19,525,651 TO \$19,475,651	\$19,720,856	\$19,917,461

NUMBERS WITHIN PARENTHESES: ( ) INDICATE COSTS OR LOSSES.  
THIS FISCAL NOTE CONTAINS 8 PAGES.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
TOTAL ESTIMATED NET EFFECT ON <u>ALL</u> FEDERAL FUNDS	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
LOCAL GOVERNMENT	\$6,518,227	\$6,583,404	\$6,649,232

---

FISCAL ANALYSIS

ASSUMPTION

OFFICIALS WITH THE DEPARTMENT OF TRANSPORTATION AND

EJ:LR:OD (12/02)

STATE TREASURER'S OFFICE ASSUME THIS PROPOSAL WOULD HAVE NO FISCAL IMPACT ON THEIR AGENCIES.

OFFICIALS WITH THE DEPARTMENT OF PUBLIC SAFETY ASSUME THIS PROPOSAL COULD PROVIDE AN ADDITIONAL FUNDING SOURCE FOR THE PATROL. HOWEVER, LIKE ANY OTHER FUNDING THIS COULD BE SUBJECT TO APPROPRIATION AND THEREFORE HAVE NO DIRECT FISCAL IMPACT.

OFFICIALS WITH THE DEPARTMENT OF REVENUE (DOR)-DRIVER AND VEHICLE SERVICES BUREAU (DVSb) ASSUME THIS PROPOSAL COULD REQUIRE A \$5 OR \$10 SURCHARGE TO BE COLLECTED ON PASSENGER, RECREATIONAL VEHICLE, MOTORCYCLE/MOTORTRICYCLE, BUS AND TRUCK MOTOR VEHICLES AND ONE-YEAR, THREE-YEAR AND PERMANENT TRAILER PLATES. DVSb FURTHER ASSUMES THE SURCHARGE COULD NOT BE COLLECTED FOR ATV OR MANUFACTURED HOMES. CURRENTLY, 5,666,005 VEHICLES OF THIS TYPE ARE REGISTERED AND A 1% GROWTH FACTOR WAS ASSESSED.

ASSUMPTION (CONTINUED)

IN A RESPONSE TO SIMILAR LEGISLATION FROM A PAST SESSION, DOR NOTES THAT THE PROPOSAL ESTABLISHES A TRUST FUND AND THE SURCHARGE FUNDS ARE TO BE DISTRIBUTED TO THE FUND. HOWEVER, THE SURCHARGE IS DIRECTLY TIED TO THE REGISTRATION OF MOTOR VEHICLES. THE MISSOURI STATE CONSTITUTION REQUIRES ANY INCREASE IN STATE LICENSE FEES OR TAXES ON MOTOR VEHICLES TO BE DISTRIBUTED AS FOLLOWS:

75% STATE ROAD FUND  
15% CITIES  
10% COUNTIES

EJ:LR:OD (12/02)

FOR PURPOSES OF THIS FISCAL NOTE, DOR IS SHOWING THE DISTRIBUTION AS INDICATED BY THE MISSOURI CONSTITUTION.

FY 04- INCOME

SURCHARGE VEHICLE REGISTRATIONS*\$5/\$10	\$26,072,908
--	--------------

FY 05- INCOME

SURCHARGE VEHICLE REGISTRATIONS*\$5/\$10	\$26,333,615
--	--------------

FY 06- INCOME

SURCHARGE VEHICLE REGISTRATIONS*\$5/\$10	\$26,596,929
--	--------------

THE DOR-DVSB FURTHER ASSUMES THAT IT COULD INCUR AN ANNUAL COST INCREASE OF \$5.00 PER 1,000 FORMS ORDERED FOR THE TITLE APPLICATION (DOR-108) AND AN INCREASE OF \$4.50 PER 1,000 FORMS ORDERED FOR THE RENEWAL APPLICATION (DOR-289). IF THERE WERE A NEW SURCHARGE, IT COULD REQUIRE MOVEMENT OF A DESENSITIZATION AREA AND SPOT TISSUE CARBON AND INCREASE IN THE SIZE OF THE FORM. THE CURRENT VENDOR HAS QUOTED THE INCREASED COST FOR THESE MODIFICATIONS AS STATED ABOVE. DVSB ORDERS APPROXIMATELY 3,000,000 DOR-108 AND 3,000,000 DOR-289 ANNUALLY AND A 3% GROWTH IS ANTICIPATED. IN ADDITION, DVSB COULD REQUIRE \$530 FOR REVISIONS TO FIELD PROCEDURES, POSTAGE AND ENVELOPES.

THE DOR-INFORMATION TECHNOLOGY BUREAU (ITB) ASSUMES IT COULD INCUR PROGRAMMING COST TO MAKE MODIFICATIONS TO THE UNIFORM FIELD OFFICE SYSTEM (UFOS), THE REGISTRATION RENEWAL PULL SYSTEM (CALCULATES FEES DUE) AND THE MISSOURI TRANSPORTATION ACCOUNTING SYSTEM TO INCLUDE THIS NEW SURCHARGE. PROGRAMMING COSTS FOR THESE SYSTEMS ARE ESTIMATED AT \$7,523. FURTHER PROGRAMMING COSTS COULD BE NEEDED FOR THE FIELD AUTOMATED SYSTEM FOR TITLING AND REGISTRATIONS (FASTR). THESE COSTS ARE UNKNOWN. HOWEVER, WITH ADDITIONAL INFORMATION FROM DOR, OVERSIGHT ASSUMES THE TOTAL PROGRAMMING COSTS COULD BE LESS THAN \$50,000.

ASSUMPTION (CONTINUED)

FY04 COST

INCREASE IN COST OF FORMS 3,000 (DOR-108)*\$5.00	\$15,000
INCREASE IN COST OF FORMS 3,000 (DOR-289)*\$4.50	\$13,500
REVISIONS AND POSTAGE	\$530
PROGRAMMING	\$7,523
FASTR PROGRAMMING	<u>UNKNOWN</u>
TOTAL	<u>UNKNOWN</u>

FY 05 COST

INCREASE IN COST OF FORMS 3,090 (DOR-108)*\$5.00	\$15,450
INCREASE IN COST OF FORMS 3,090 (DOR-289)*\$4.50	<u>\$13,905</u>
TOTAL	<u>\$29,355</u>

FY 06 COST

INCREASE IN COST OF FORMS 3,183 (DOR-108)*\$5.00	\$15,914
INCREASE IN COST OF FORMS 3,183 (DOR-289)*\$4.50	<u>\$14,322</u>
TOTAL	\$30,236

TO IMPLEMENT THIS LEGISLATION, THE DOR COULD REQUIRE ADDITIONAL FUNDS. IN THE PAST, THE PROGRAMS INCLUDED IN THIS LEGISLATION HAVE BEEN PAID FOR WITH HIGHWAY FUNDS. THIS YEAR, HOWEVER, HIGHWAY FUNDS MAY NOT BE AVAILABLE FOR THIS PURPOSE AS A RESULT OF LEGISLATION ENACTED BY THE GENERAL ASSEMBLY IN 2000 THAT LIMITS THE USE OF HIGHWAY FUNDS.

THIS LIMITATION IS FOUND IN SECTION 226.200.3, RSMO. IT PLACES A CAP ON THE HIGHWAY FUNDING AVAILABLE TO STATE DEPARTMENTS OTHER THAN THE DEPARTMENT OF TRANSPORTATION. THE TOTAL AMOUNT OF HIGHWAY FUNDS APPROPRIATED TO THESE OTHER STATE DEPARTMENTS (INCLUDING THE DOR) CANNOT EXCEED THE TOTAL AMOUNT OF THEIR FISCAL YEAR 2001 HIGHWAY APPROPRIATIONS. THIS CAP LIMITS THE HIGHWAY FUNDS THAT WILL BE AVAILABLE FOR THE IMPLEMENTATION OF THIS LEGISLATION.

IF HIGHWAY FUNDS ARE NOT AVAILABLE, THEN ANOTHER SOURCE OF FUNDING MUST BE IDENTIFIED TO PAY FOR THE COST OF IMPLEMENTING THIS LEGISLATION.

THIS PROPOSAL COULD INCREASE STATE REVENUE.

<u>FISCAL IMPACT - STATE GOVERNMENT</u>	FY 2004 (10 MO.)	FY 2005	FY 2006
HIGHWAY FUND			
<u>INCOME-DEPARTMENT OF REVENUE</u>			
SURCHARGE FOR PLATE REGISTRATION	<u>\$19,554,681</u>	<u>\$19,750,211</u>	<u>\$19,947,697</u>
<u>COST-DEPARTMENT OF REVENUE</u>			
FORMS	(\$28,500)	(\$29,355)	(\$30,236)
REVISIONS AND POSTAGE	(\$530)	\$0	\$0
PROGRAMMING	( \$50,000)	<u>\$0</u>	<u>\$0</u>
<u>TOTAL COST-DOR</u>	(\$29,030 TO \$79,030)	(\$29,355)	(\$30,236)
NET ESTIMATED EFFECT ON HIGHWAY FUND	<u>\$19,525,651</u> TO <u>\$19,475,651</u>	<u>\$19,720,856</u>	<u>\$19,917,461</u>
<u>FISCAL IMPACT - LOCAL GOVERNMENT</u>	FY 2004 (10 MO.)	FY 2005	FY 2006

INCOME-CITIES

SURCHARGE FOR PLATE REGISTRATION	\$3,910,936	\$3,950,042	\$3,989,539
-------------------------------------	-------------	-------------	-------------

INCOME-COUNTIES

SURCHARGE FOR PLATE REGISTRATION	<u>\$2,607,291</u>	<u>\$2,633,362</u>	<u>\$2,659,693</u>
-------------------------------------	--------------------	--------------------	--------------------

NET ESTIMATED EFFECT ON LOCAL GOVERNMENT	<u>\$6,518,227</u>	<u>\$6,583,404</u>	<u>\$6,649,232</u>
---	--------------------	--------------------	--------------------

FISCAL IMPACT - SMALL BUSINESS

THERE COULD BE FISCAL IMPACT TO SMALL BUSINESSES AS A RESULT OF THIS PROPOSAL. THIS PROPOSAL WOULD IMPOSE A FIVE DOLLAR SURCHARGE TO REGISTER A VEHICLE OR TRAILER.

DESCRIPTION

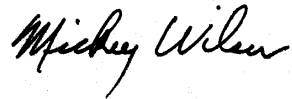
THIS PROPOSAL WOULD IMPOSE A FIVE DOLLAR SURCHARGE ON VEHICLES AND TRAILERS BEING LICENSED IN THE STATE AND PLACE THE FUNDS IN A HIGHWAY PATROL TRUST FUND.

THIS LEGISLATION IS NOT FEDERALLY MANDATED, WOULD NOT DUPLICATE ANY OTHER PROGRAM AND WOULD NOT REQUIRE ADDITIONAL CAPITAL IMPROVEMENTS OR RENTAL SPACE.

SOURCES OF INFORMATION

L.R. NO. 0833-01  
BILL NO. SB 270  
PAGE 8 OF 8  
FEBRUARY 3, 2003

DEPARTMENT OF REVENUE  
DEPARTMENT OF TRANSPORTATION  
DEPARTMENT OF PUBLIC SAFETY  
STATE TREASURER'S OFFICE

A handwritten signature in black ink, reading "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
February 3, 2003